

5G – short for fifth generation – is the latest standard for cellular mobile communications. Providing ultrafast broadband connection with higher capacity and lower latency, 5G is not only heaven for your smartphone. It will enable wireless connectivity in real time for any device of the Internet of things (IoT), whether that be autonomous cars or sensor-steered factory. In doing so, it will allow decentralised seamless interconnectivity between devices.

To allow for a functional network coverage and increased capacity overall, more antennas will be needed, including acceptance of higher levels of electromagnetic radiation. In some jurisdictions, the rise of threshold values will require legal adaptation. Existing concerns regarding potential negative health effects from electromagnetic fields (EMF) are only likely to increase. An uptick in liability claims could be a potential long-term consequence.

Other concerns are focused on cyber exposures, which increase with the wider scope of 5G wireless attack surfaces. Traditionally IoT devices have poor security features. Moreover, hackers can also exploit 5G speed and volume, meaning that more data can be stolen much quicker. A large-scale breakthrough of autonomous cars and other IoT applications will mean that security features need to be enhanced at the same pace. Without, interruption and subversion of the 5G platform could trigger catastrophic, cumulative damage. With a change to more automation facilitated by new technology like 5G, we might see a further shift from motor to more general and product liability insurance.

There are also worries about privacy issues (leading to increased litigation risks), security breaches and espionage. The focus is not only on hacking by third parties, but also potential breaches from built-in hard- or software “backdoors.” In addition, the market for 5G infrastructure is currently focussed on a couple of firms, and that raises the spectre of concentration risk.

**Potential impacts:**

- Cyber exposures are significantly increased with 5G, as attacks become faster and higher in volume. This increases the challenge of defence.
- Growing concerns of the health implications of 5G may lead to political friction and delay of implementation, and to liability claims. The introductions of 3G and 4G faced similar challenges.
- Information security and national sovereignty concerns might delay implementation of 5G further, increasing uncertainty for planning authorities, investors, tech companies and insurers.
- Heated international dispute over 5G contractors and potential for espionage or sabotage could affect international cooperation, and impact financial markets negatively.
- As the biological effects of EMF in general and 5G in particular are still being debated, potential claims for health impairments may come with a long latency.